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JAN 1 3 2006 Federal Communications Commission

Office of Secretary

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January 13, 2006

**REDACTED - FOR PUBLIC INSPECTION** 

#### VIA ELECTRONIC FILING

Ms. Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554

> Response to Information and Document Request of December 5, 2005 and Re: Submission of Confidential and Highly Confidential Documents Under Seal Pursuant to Protective Order (DA 05-1673) and Second Protective Order (DA 05-3226) Issued in MB Docket No. 05-192

Dear Ms. Dortch:

On Monday, December 19, 2005, Time Warner Inc. ("Time Warner") filed its initial response (the "Initial Response") to the December 5, 2005 letter from Donna C. Gregg, Media Bureau Chief, transmitting a request for certain information and documents (the "Information and Document Request") related to the transactions involving Time Warner, Comcast Corporation ("Comcast"), and Adelphia Communications Corporation ("Adelphia") that are the subject of the Consolidated Application for Authority to Transfer Control in MB Docket No. 05-192. As indicated in the Initial Response, certain information and documents to be produced by Time Warner in response to the Information and Document Request include highly confidential information for which Time Warner submitted a request for expanded confidentiality protection jointly with Adelphia and Comcast. As such, the Initial Response included only certain responsive materials for which confidentiality had not been requested and which had been completed to date.

On Thursday, December 22, 2005, Time Warner submitted, pursuant to the Initial Protective Order and Second Protective Order in this proceeding, a substantial portion of the confidential and highly confidential Exhibits and Documents associated with the Initial Response. At that time, Time Warner also indicated that certain other confidential and highly confidential Exhibits and Document Sets were not included with the filing as Time Warner was still in the process of retrieving and reviewing materials potentially responsive to the Information and Document Request, and that such additional responsive materials would be submitted on a rolling basis as such review was completed. On Friday, January 6, 2006, Time Warner submitted additional, but not all of the remaining, Exhibits and Documents. Vo. of Copies rec'd 0 + 2

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Time Warner today completed its submissions responsive to the Information and Document Request by submitting to the Commission an unredacted second supplementary set of Exhibits and Document Sets. Specifically, Time Warner submitted (1) Exhibit II(A)(10), (2) Exhibit II(D), (3) Document Set A, responding to production question II.D. of the Information and Document Request, (4) Document Set B, responding to production question II.E. of the Information and Document Request, (5) a supplementary set of documents to Document Set E (submitted December 22, 2005) responding to question III.I. of the Information and Document Request, and (6) Document Set G, responding to question IV.A. of the Information and Document Request. Please note that these materials include confidential and highly confidential information that are entitled to additional protection under the Initial Protective Order and Second Protective Order.

This redacted version of the submission is being provided to FCC staff pursuant to the terms of the Initial Protective Order and Second Protective Order. In addition, pursuant to the Initial Protective Order and Second Protective Order, Time Warner is submitting copies of the unredacted, confidential and highly confidential version of its Exhibits and Document Sets (the "Confidential Filing") to Julie Salovaara and Brenda Lewis, Industry Analysis Division, Media Bureau. The Confidential Filing will be made available for inspection, pursuant to the terms of the Initial and Second Protective Orders, at the offices of Fleischman and Walsh, L.L.P. at the address above. Arrangements for inspection may be made by contacting Craig A. Gilley at (202) 939-7900.

Please do not hesitate to contact the undersigned if you have any questions.

Respectfully submitted,

Arthur H. Harding *Counsel for Time Warner Inc.* 

cc: Best Copy and Printing, Inc.

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# **EXHIBIT II (A)(10)**

### EXHIBIT II(A)(10) MVPD Competitors

In its narrative response submitted on December 19, 2005, Time Warner Cable ("TWC") stated as follows:

TWC faces satellite competition from DirecTV and EchoStar on a nationwide basis. In addition, TWC notes that several of the nation's largest incumbent local exchange carriers, including Verizon and AT&T (SBC) have begun to aggressively seek and obtain local cable television franchises and/or to construct cable television distribution facilities in various communities. TWC does not routinely track every wired MVPD competitor that may be franchised or operating in communities served by TWC. To the best of TWC's knowledge, the wired MVPD competitors set forth on Exhibit II(A)(10) and possibly others, are operating in one or more communities served by TWC in the indicated Divisions. In addition, although it is not clear whether they meet the definition of MVPDs, TWC also faces growing competition from Internet-based video providers.<sup>2</sup>

<sup>1</sup>For example, press reports indicate that as recently as December 13, the City of Hermosa Beach, CA awarded a cable television franchise to Verizon. See Linda Haugsted, Verizon Hits Hermosa Beach, MULTICHANNEL NEWS, Dec. 14, 2005, available at: <a href="http://www.multichannel.com/index.asp?layout=articlePrint&articleid=CA6291679">http://www.multichannel.com/index.asp?layout=articlePrint&articleid=CA6291679</a>. TWC will acquire a cable system operated by an affiliate of Adelphia in Hermosa Beach pursuant to the Transactions.

<sup>2</sup>Peter Grant, Outside the Box: As Broadband Connections Proliferate, So Do the Opportunities for Niche Video-content Providers, WALL ST. J., Dec. 19, 2005, at R11.

Because, as stated above, TWC does not routinely track such matters, the attached chart listing competing MVPDs (excluding private cable and wireless cable operators), was prepared based on discussions with appropriate TWC division personnel. to the best of their knowledge. The chart reflects a limited number of situations where existing overbuilds may be impacted by the proposed transactions. Such situations, as indicated by the estimated homes passed figures on the attached chart, are de minimis, both individually and in the aggregate. Thus, TWC reiterates the conclusion in the Applications and Public Interest Statement in this proceeding that the proposed transactions will result in no meaningful reduction in the variety or number of "media voices" available to consumers and in fact will significantly enhance competition, particularly TWC's ability to compete with well-clustered MVPDs such as DBS and ILECs. As also noted in the December 19, 2005 narrative response, TWC does not routinely track situations where another wireline MVPD may have a theoretical franchise area overlap, but where there is no actual overbuild. Again, while a handful of such situations undoubtedly exist, including potential franchise area overlaps with Adelphia or Comcast, the transactions will not result in any meaningful reduction in media voices or competition.

## Exhibit II(A)(10) Wireline MVPD Competitors By Time Warner Cable Division

Division	Known Wireline MVPD Competitor
Albany	
Austin	Grande Communications
Binghamton	
Charlotte	
Cincinnati	City of Lebanon; Adelphia (approximately 1,850 homes passed)
Columbus	Wide Open West (WOW); Adelphia (approximately 1,100 homes passed)
Eastern Carolina	Adelphia (approximately 35 homes passed)
Green Bay	
Greensboro	Yadkin Valley Telephone; Lexcom Cable
Hawaii	
Houston	Phonoscope; TVMAXX
Jackson/Monore	CMA Cablevision
Kansas City	Everest Communications; Unite Cable; Comcast
Nebraska	
Los Angeles	RCN; Cox; Comcast (approximately 540 homes passed); Adelphia (approximately 80 homes passed)
Memphis	
Milwaukee	
Minneapolis	New Ulm Telecom
	Daleville City Cable (AL); RTA (LA); Adelphia(WV)(approximately 850 homes passed); Comcast(AL);
National	Graceba(AL)
New England	
New York City	RCN
Northeast Ohio	City of Wadsworth; Doylestown Communications
Raleigh	Capitol Broadband; Beacon Cable; Adelphia (approximately 180 homes passed)
Rochester	
San Antonio	Grande Communications; Guadalupe Valley Communications
San Diego	Adelphia (approximately 650 homes passed); Cox
	Horry Telephone Cooperative; Southern Coastal Cable; Knology; Adelphia (approximately 2,000 homes
South Carolina	passed); Comcast
Southwest	Grande Communications
Syracuse	
Waco	Grande Communications
Western Ohio	Telephone Service Company (TSC Communications), Q1 (Columbus Grove Telephone Company), Bascom Telephone Company (BTC Media), NKTELCO (New Knoxville Telephone Company), Champaign Telephone Company

<sup>\*</sup>Additional detail provided with respect to systems affected by transactions at issue.

## EXHIBIT II (D)

### Exhibit II(D) Minimum Subscription Period/Termination Fee Promotions Time Warner Cable

		Promotion Type		Affected Service		Effective Period		
Promotion Name	Division	Minimum Subscription Period	Termination Fee	Residential High-Speed Internet Access	Video Programming	Start Date	End Date	Total Participating Subscribers
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#### DOCUMENT SETS WITHELD PURSUANT TO PROTECTIVE ORDERS IN MB DOCKET 05-192 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION